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HAGOP T. BEDOYAN, CSB NO. 131285
 JACOB L. EATON, CSB NO. 244834
 KLEIN, DENATALE, GOLDNER,
 COOPER, ROSENLIEB & KIMBALL, LLP
 4550 California Avenue, Suite 200
 Bakersfield, California 93309
 Telephone: (661) 395-1000
 Facsimile: (661) 326-0418
 Email: jeaton@kleinlaw.com

Proposed Attorneys for Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re:

SOUTH LAKES DAIRY FARM,
 Debtor-in-Possession.

Case No. 12-17458-B-11

Chapter 11

DC No. KDG-6

Date: N/A

Time: N/A

Place: United States Bankruptcy Court
 2500 Tulare Street, Fifth Floor
 Department B, Courtroom 12
 Fresno, California

Judge: Honorable W. Richard Lee

**APPLICATION BY DEBTOR FOR ORDER AUTHORIZING
 EMPLOYMENT OF ACCOUNTANTS AND CONSULTANTS**

TO THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF
 CALIFORNIA:

SOUTH LAKES DAIRY FARM ("Debtor") applies to the Court for an Order
 authorizing the employment of Frazer, LLP ("Frazer") as the accountant and consultant for
 Debtor and its Chapter 11 estate, and represents as follows:

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KLEIN, DENATALE, GOLDNER,
COOPER, ROSENLIEB & KIMBALL, LLP
4550 CALIFORNIA AVENUE, SECOND FLOOR
BAKERSFIELD, CALIFORNIA 93309

I. INTRODUCTION AND FACTUAL BACKGROUND

1. Debtor filed a Voluntary Petition under Chapter 11 of the United States Bankruptcy Code on August 30, 2012. Debtor has remained in possession of its property and has managed its affairs as a debtor-in-possession since it filed for relief under Chapter 11. A trustee has not been sought or appointed in the case filed by Debtor.

2. Debtor is engaged in a dairy and farming business in Pixley, California. Debtor's primary assets are livestock, crops and equipment.

3. Debtor wishes to employ Frazer as its accountant during the pendency of its Chapter 11 case.

4. Debtor selected Frazer to act as its accountant for the following reasons:

- a. Frazer has been performing accounting services for Debtor since 2005,
- b. Frazer specializes in providing accounting services to dairies,
- c. Frazer is experienced and qualified to perform the accounting, consulting and tax services required by Debtor and its Chapter 11 estate, and
- d. Frazer is readily familiar with the nature and complexities involved in the operation of Debtor's business.

5. The professional services that Frazer is to render include (a) accounting and tax services and (b) preparing tax returns and financial statements for Debtor and its Chapter 11 estate. The services to be rendered by Frazer are more fully described in the engagement letter dated August 29, 2012 attached as Exhibit "A" to the *Exhibits in Support of Application by Debtor for Order Authorizing Employment of Accountants and Consultants*.

6. The professional services to be performed by Frazer for Debtor are necessary and are beyond Debtor's experience and expertise.

II. ADVERSE INTERESTS AND CONNECTIONS

Interests

7. Frazer has no interest materially adverse to Debtor or its estate or any class of creditors in any of the matters upon which it is to be engaged.

Connections

8. Frazer has no connections with Debtor, its creditors, any other party in interest, or their attorneys and accountants, the United States Trustee, or any person employed in the Office of the United States Trustee except for the following

a. Frazer's employment by other clients of Klein, DeNatale as accountants for Chapter 11 cases,

b. Frazer's prior employment by Debtor for tax and business consulting services, and

c. Frazer's employment by Debtor's partners for tax and accounting services.

9. Frazer does not owe money to Debtor. Debtor had a pre-petition balance of \$24,210.40 owed to Frazer. However, Frazer has agreed to waive its pre-petition claim as a condition for employment by the estate. Frazer was paid a retainer of \$10,000.00 on August 15, 2012 in connection with its representation of Debtor.

III. POINTS AND AUTHORITIES

10. The employment of professionals by a Debtor-in-Possession in a Chapter 11 case is governed by 11 U.S.C. section 327:

(a) Except as otherwise provided in this section, the trustee, with the court's approval, may employ one or more attorneys, accountants, appraisers, auctioneers or other professional persons, that do not hold or represent an interest adverse to the estate, and that are disinterested persons, to represent or assist the trustee in carrying out the trustee's duties under this title. . .

11 U.S.C. § 327.

The term "disinterested person" is defined as a person who:

(A) is not a creditor, an equity security holder, or an insider;

(B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

(C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason.

11 U.S.C. §101(14).

11. Frazer was a pre-petition creditor of Debtor; however, Frazer has waived its pre-petition claim against the estate as a condition for its employment. Frazer is not an insider and it was not an employee of Debtor within the last two years, and it does not hold or represent an interest adverse to the estate, and has no interests materially adverse to Debtor or any class of creditors. Frazer has disclosed its connections with Debtor, and does not believe that any of these connections would interfere with its duties to Debtor and its estate.

IV. MISCELLANEOUS MATTERS

12. Debtor has agreed to pay Frazer a fee for services rendered based on the firm's normal and usual billing rates plus reimbursement for reasonable costs incurred by the firm subject to court review and approval.

13. Debtor is informed that the normal and usual hourly billing rates charged by Frazer are as follows:

Partners	\$305.00 - \$400.00 per hour
Directors	\$290.00 - \$300.00 per hour
Managers	\$230.00 - \$285.00 per hour
Senior and Staff Accountants	\$120.00 - \$225.00 per hour
Computer / Clerical	\$50.00 per hour.

Debtor will reimburse Frazer for the costs incurred by the firm based on actual costs incurred by the firm except for photocopies and travel expenses. The photocopy charge to Debtor will be \$0.10 per page; while, the travel expense charges to Debtor will be the amount allowed by the Internal Revenue Service as a deductible business expense.

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1 WHEREFORE, Debtor requests that it be authorized to employ Frazer, LLP as its
2 accountant and the accountant for its Chapter 11 estate to render services in the areas described
3 above with compensation to be paid as an administrative expense in such amounts as the Court
4 may determine and allow.

5 Date: September 26, 2012

KLEIN, DeNATALE, GOLDNER,
COOPER, ROSENLIB & KIMBALL, LLP

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7 By: 
8 JACOB L. EATON
9 Proposed Attorneys for Debtor-in-Possession
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